

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 1
FOR THE REGULAR MEETING OF
MONDAY, JUNE 12, 2006 AT 2:00 P.M.
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

**ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
ORDINANCES TO BE INTRODUCED:**

ITEM-S400: Third Amendment to the Agreement between the City and Stradling Yocca Carlson & Rauth for Bond Counsel Services.

CITY ATTORNEY’S RECOMMENDATION:

Introduce the following ordinance:

(O-2006-147)

Introduction of an Ordinance authorizing the City Attorney to enter into a Third Amendment for Bond Counsel Services with respect to bond counsel and disclosure counsel services rendered in connection with the issuance of bonds for Communities Facilities District No. 3 (Liberty Station); provided however that bond counsel shall be paid only from proceeds of the bonds and any deposits made by the developer therefor.

NOTE: 6 votes required.

SUPPORTING INFORMATION:

In 2002, the City selected the Corky McMillin Companies (McMillin) to serve as the developer to redevelop the Naval Training Center (NTC). As part of its bid proposal and financing plan, McMillin proposed the formation of a Communities Facilities District (CFD) to finance certain infrastructure improvements for NTC. In connection with the formation of the CFD, and the financing of certain infrastructure improvements, the City retained the law firm of Stradling Yocca Carlson & Rauth (Firm) for bond and disclosure counsel services.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)
ORDINANCES TO BE INTRODUCED: (Continued)

ITEM-S400: (Continued)

SUPPORTING INFORMATION: (Continued)

The contract for bond and disclosure counsel services has been amended from time to time due to the length of time associated with formation of the CFD and the issuance of the bonds, including a first amendment to the agreement, dated April 27, 2002, and a second amendment to the agreement, dated January 6, 2003. Due to the additional time required to issue the bonds, including the suspension of the bond issue due to delays associated with the investigation of the mold issue within the CFD, it is necessary to enter into a third amendment to the agreement for bond counsel services to provide additional compensation to bond counsel, in the amount of (i) \$160,000 for legal services associated with analyzing the feasibility of forming the CFD and selling the bonds, and (ii) \$100,000, for disclosure counsel services and \$3,000 for related expenses.

The fees of the Firm will be paid from moneys on deposit by McMillin and from proceeds of the Bonds. No funds of the City will be used to pay the Firm.

FISCAL CONSIDERATIONS:

None

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Approval of Agreement May 11, 2000 (C-10033) Approval of First Amendment to Agreement April 27, 2002 (C-11367); Second Amendment to Agreement January 16, 2003 (C-11888)

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

N/A

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Stradling Yocca Carlson Rauth, APC

Blake

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS

ITEM-S401: Update and Discussion of Pending State Legislation (AB 2987 Statewide Cable TV Franchise) and its Potential Significant Policy and Fiscal Impacts on Cities.

(See letter from Mayor Sanders dated 4/21/2006; memorandum dated 4/14/2006 and letter dated 6/2/2006 from Councilmember Madaffer.)

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(Informational item only. No action requested.)